

286.6-015 Organization procedure.

- (1) Any seven (7) or more residents of this state, of legal age, who have a common bond referred to in KRS 286.6-107 may organize a credit union and become charter members thereof by complying with this section.
- (2) The subscribers shall execute in duplicate articles of incorporation and agree to the terms thereof, which articles shall state:
 - (a) The name, which shall include the words "credit union" and which shall not be the same as that of any other credit union in this state, and the location where the proposed credit union is to have its principal place of business;
 - (b) That the existence of the credit union shall be perpetual;
 - (c) The par value of the shares of the credit union; and
 - (d) The names and addresses of the subscribers to the articles of incorporation, and the number of shares subscribed to by each, which shall be determined by the board.
- (3) The subscribers shall prepare and adopt bylaws for the general government of the credit union, consistent with this subtitle, and execute the same in duplicate.
- (4) The subscribers shall select at least five (5) qualified persons who agree to serve on the board of directors, and at least three (3) other qualified persons who agree to serve on the supervisory committee. A signed agreement to serve in these capacities until the first annual meeting or until the election of their successors, whichever is later, shall be executed by those who so agree.
- (5) The subscribers shall forward any required fee, the articles of incorporation, the bylaws and the agreements to serve to the executive director, who shall act upon the application for a charter within thirty (30) days. The executive director shall issue a certificate of approval, if the articles and bylaws are in conformity with this subtitle and he is satisfied that:
 - (a) The characteristics of the sponsoring group are favorable to the economic viability of such credit union;
 - (b) The standing and character of the proposed organizers are such as to give assurance that its affairs will be properly administered; and
 - (c) The share and deposit insurance requirements of KRS 286.6-405 will be met.
- (6) The executive director shall return a copy of the bylaws and the articles to the applicants or their representatives, which shall be preserved in the permanent files of the credit union.
- (7) The subscribers for a credit union charter may not transact any business until formal approval of the charter has been received.

Effective: July 13, 1984

History: Created 1984 Ky. Acts ch. 408, sec. 2, effective July 13, 1984.

Formerly codified as KRS 290.015.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the

Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.